

**Congress of the United States**  
**Washington, DC 20515**

May 15, 2009

Chairman Dave Obey  
Subcommittee on Labor, Health and Human Services, Education and Related Agencies  
Room 2358-B Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Obey,

We strongly support providing \$50 million for the Social Innovation Funds Pilot Program, which was just authorized in the Edward M. Kennedy Serve America Act.

In the private sector, innovation and entrepreneurship are critical for increasing productivity, improving quality of life, and keeping the United States competitive in the world. The same is true in the social sector. The key to solving our nation's most difficult social challenges is to foster innovation and entrepreneurship in the social sector.

In communities across the country, citizens are implementing innovative and effective solutions to tough community issues. However, few organizations—including those with consistent, proven track records—are able to find growth capital to expand beyond a modest level.

The Edward M. Kennedy Serve America Act authorizes a pilot program to create a network of Social Innovation Funds to help address this challenge. This program is intended to increase the impact of social entrepreneurs and innovative nonprofit organizations by scaling proven programs and investing in promising new ideas.

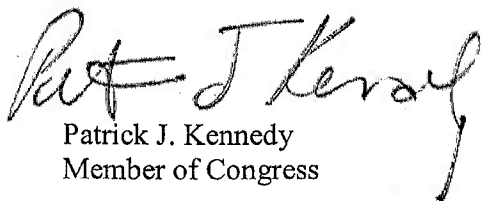
This pilot program will provide grants to “existing grantmaking institutions”—or partnerships of grantmaking institutions, state commissions, and mayors or other local government CEOs—to establish Social Innovation Funds. As Funds, these grantees will make subgrants to nonprofit organizations to expand or replicate proven initiatives or support promising new initiatives in low-income communities. There is also a 1:1 match requirement at both the Fund and the subgrant level, creating a 3:1 match on the government's initial investment.

This approach will enable government to:

- Increase private sector and public investment in organizations that are able to address social problems effectively at a greater scale,
- Address specific challenges facing communities and the country through outcomes-focused investments, and
- Strengthen our nation's ability to invest in effective social solutions, build knowledge and capacity, and grow what works, taking a more effective and efficient approach to addressing social issues.

**We request the full authorized level of \$50 million for the Social Innovation Funds Pilot Program in the FY10 Departments of Labor, Health and Human Services, and Education Appropriations Act.**

Sincerely,

  
Patrick J. Kennedy  
Member of Congress

  
Betty McCollum  
Member of Congress